



U.S. Fish & Wildlife Service

News Release

Pacific Islands External Affairs Office

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Draft Economic Analysis of Proposed Critical Habitat for Kauai and Niihau Plants Available for Public Review

A draft analysis of the potential economic effects and benefits of critical habitat designations for 83 threatened and endangered species on Kauai and Niihau was released today by the U.S. Fish and Wildlife Service. The agency is proposing to establish about 99,000 acres of critical habitat on the two islands to protect the plants.

“We encourage everyone interested in these proposed designations to review the economic analysis, as well as the full proposal, and provide their comments to us,” said Paul Henson, field supervisor for the Fish and Wildlife Service’s Pacific Islands office. “At the same time we are asking for comments on the draft economic analysis we are re-opening the comment period on the proposed designations to give people another chance to voice their views.”

Required by the federal Endangered Species Act, the economic analysis identifies and analyzes the potential economic effects and benefits of the critical habitat designations for the 83 plants over the next 10 years. The cost estimate considers potential impacts to private landowners and Federal, state and local agencies. It includes probable consultations, project modifications, the development of biological assessments and environmental impact reports, technical assistance and administrative tasks.

The draft analysis predicts that most of the proposed critical habitat designations on Kauai and Niihau would have minor economic impacts, mainly because most of the land in the proposal is mountainous and rugged and unsuitable for development, farming or other economic uses. Also, local land-use controls already limit development and most other economic activities in the mountainous interior of Kauai and Niihau.

Most of the planned projects and land uses within the proposed critical habitat designations have no federal involvement, such as permits or funding, so they would not be restricted by ESA requirements.

However, some direct and indirect expenses could occur if the proposed critical habitat designations are finalized. The biggest expense would be incurred at the Pacific Missile Range Facility on Kauai, where ESA-required consultations and project modifications are estimated to cost \$832,300 to \$1,955,700 over the next 10 years. Also, federal, state and local agencies and private landowners could incur total costs over the next decade, directly attributable to a critical habitat designation, ranging from \$945,500 to \$2,468,700, the draft analysis estimates.

These costs represent, in the worst case, about 0.02 percent of the total personal income of Kauai County over the same period.

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Because the draft economic analysis looks at all potential direct and indirect effects that could occur, it estimates that one of the proposed units of urban land on Kauai could be indirectly negatively affected by a critical habitat designation. This could occur if the county were to change the ocean-front property's zoning status as a result of the critical habitat designation. In the worst case scenario, according to the report, the profit potential of the land could decline by \$10 million and its property value could decline by a few million dollars if the county chose to re-zone it. Additionally, there is a possibility of substantial indirect costs if a critical habitat designation causes the State of Hawaii to reduce hunting opportunities, mandate conservation management or change Urban and Agricultural Districts to Conservation Districts.

"The Service may exclude areas from a critical habitat designation if the benefits of excluding them are greater than the benefits of including them, unless the exclusion would result in the extinction of the protected species," Henson said. "We will look at these issues closely before making a final determination."

Potential economic benefits of the proposed critical habitat designations include ecological improvements resulting from project modifications; better siting of projects by developers; preservation of plants that people value; improvements to the environment such as fewer mosquitoes, less erosion, enhanced survival of native wildlife, healthier watersheds, cleaner and healthier streams and near-shore marine environments, and cleaner beaches; and possible new funds from outside the state for conservation management that would contribute to expanded economic activity.

The draft economic analysis was developed by Decision Analysis Hawaii, Inc., a Honolulu-based economic consulting firm.

Critical habitat refers to specific geographic areas that are essential for the conservation of a threatened or endangered species and which may require special management considerations. These areas do not have to be occupied by the species at the time of designation. A designation does not set up a preserve or refuge and only applies to situations where federal funding or a federal permit is involved.

The notice of availability for the draft economic analysis was published in today's *Federal Register*. The report and the proposed rule to designate critical habitat for the 83 species on Kauai and Niihau are available at <http://pacificislands.fws.gov>. Copies may also be obtained by calling the Fish and Wildlife Service's Honolulu office at 808-541-3441.

Comments may be submitted until June 27 to the Field Supervisor, U.S. Fish and Wildlife Service, Pacific Islands Office, 300 Ala Moana Boulevard, Room 3-122, Box 50088, Honolulu, Hawaii, 96850; or via electronic mail to kani_crithab@r1.fws.gov.

People who already commented on the proposed designations do not need to do so again. Their comments are part of the public record and will be fully considered in the final decision.

The U.S. Fish and Wildlife Service is the principal federal agency responsible for conserving, protecting and enhancing fish, wildlife and plants and their habitats for the continuing benefit of the American people. The Service manages the 95-million-acre National Wildlife Refuge System which encompasses nearly 540 national wildlife refuges, thousands of small wetlands and other special management areas. It also operates 70 national fish hatcheries, 64 fishery resource offices and 78 ecological services field stations. The agency enforces federal wildlife laws, administers the Endangered Species Act, manages migratory bird populations, restores nationally significant fisheries, conserves and restores wildlife habitat such as wetlands, and helps foreign governments with their conservation efforts. It also oversees the Federal Aid program that distributes hundreds of millions of dollars in excise taxes on fishing and hunting equipment to state fish and wildlife agencies.